SIDE LETTER AGREEMENT

BETWEEN THE CITY OF SAN JOSE AND

THE CONFIDENTIAL EMPLOYEES' ORGANIZATION (CEO), AFSCME, LOCAL NO. 101

City Medical Benefits Reopener

To the extent that they are a mandatory subject of bargaining and arise during the term of the successor Memorandum of Agreement (MOA) between the City of San Jose (City) and the Confidential Employees' Organization (CEO), AFSCME Local No.101, the parties agree to meet and confer over changes to City medical plans related to the Affordable Care Act and/or any changes to healthcare providers. If there is a change in health care providers, the benefits provided by those providers will be substantially equivalent to those listed in Articles 7.6 and 7.7 of the CEO MOA and those benefits and service area(s) provided by the displaced provider(s) but may involve a different group of licensed medical doctors/practitioners.

Either the City or CEO may provide notice to the other of its request to discuss changes to City medical benefits. The parties shall commence the discussions within ten (10) calendar days after the City or CEO receive notice from the other.

To the extent that any change to City medical benefits is a mandatory subject of bargaining, the parties shall meet and confer in good faith in an effort to reach a mutual agreement. If the parties reach impasse and no agreement is reached on those issues that are a mandatory subject of bargaining, either party may invoke the impasse procedures in accordance with the applicable provisions under the Employer-Employee Relations Resolution No. 39367 and/or the Meyers Milias Brown Act. All mandatory impasse procedures (mediation and factfinding (if requested by CEO)) shall be exhausted. The parties understand that this means that, notwithstanding any other provision in the successor MOA, the City will have the right to unilaterally implement in the event that no agreement is reached at the conclusion of negotiations and mandatory impasse procedures.

This Agreement is considered part of the tentative agreement for a successor MOA between the parties, and shall become effective only as part of the overall tentative agreement for a successor MOA, and when signed by all parties below and approved by the City Council. This agreement is effective only during the term of a successor MOA.

FOR THE CITY:

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FOR THE UNION:

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Jennifer Schembri

Interim Director of

Employee Relations

LaVerne Washington

President

CEO, AFSCME Local 101

Data

Charles Allen

Business Agent

AFSCME, Local 101